



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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Jane Dee Hull
Governor

John L. Clayton
Director

July 6, 2001

WORKFORCE INFORMATION MEMO #6-01

SUBJECT: Customized Training under the Workforce Investment Act (WIA)

REFERENCE: P.L. 105-220, Section 101(8)(A)(B)(C) and Section 122(h)(1)(2) of the Workforce Investment Act of 1998; 20 CFR Part 652 et al., Subpart D, Section 663.430(a)(1) and 663.595; Subpart G, Section 663.715(a)(b)(c), 663.720(a)(b)(c), and 663.730; Subpart B, Section 665.200(b)(2), 667.268(a)(2), 667.640(b)(iii); Subpart C, Section 668.340(d)(9); Subpart E, Section 668.500(a)(4) of WIA Final Rules dated August 11, 2000

BACKGROUND: Customized training is designed to meet the specific training needs of an employer or group of employers, through a training curriculum that is "customized" to a WIA participant's skill needs. Under the terms of a customized training contract, an employer agrees to employ a participant upon successful completion of training and agrees to pay a minimum of 50% of the cost of the participant's training.

Enclosed are the state guidelines for formalizing customized training contractual agreements with employers.

ACTION REQUIRED: Please distribute this memo and its accompanying documentation to all staff responsible for placing WIA participants in training-related activities.

If you have questions, please contact Ms. Desiree Taggart, MIS/Policy Manager or your quality assurance liaison at (602) 542-3957.

Sincerely,

A handwritten signature in black ink that reads "Stan Flowers". The signature is written in a cursive, flowing style.

Stan Flowers
Acting Deputy Program Administrator
Workforce Development Administration

Enclosure (1)

SF:PG:kds

CUSTOMIZED TRAINING POLICIES UNDER THE WORKFORCE INVESTMENT ACT (WIA)

Customized training is occupational training designed to meet the special requirements of an employer or group of employers, conducted within the following parameters:

- The employer makes a commitment to employ the WIA participant upon successful completion of the training.
- The employer pays for a **minimum** of 50% of the cost of the participant's training.

Customized training can be offered to incumbent workers under the following conditions:

- The above requirements are met.
- The incumbent worker is not earning a self-sufficient wage as determined by the Local Workforce Investment Board (LWIB).
- The customized training relates to the introduction of new technologies, introduction to new production or service procedures, or upgrading to new jobs that require additional skills, workplace literacy or other appropriate purposes identified by the LWIB.

CUSTOMIZED TRAINING CONTRACTS

Each customized training contract is designed for a particular individual, an employer or group of employers, and a training provider. Procurement of customized training contracts is conducted through noncompetitive negotiations. The assessment of the trainee, the needs of the employer, and the skills to be learned through classroom training should all be taken into account when developing the contract for customized training. The goal should be to prepare an individual for long-term, unsubsidized employment, based on the acquisition of new or upgraded skills learned through training.

Local Workforce Investment Areas (LWIAs) shall ensure that their customized training contracts include, at a minimum, the following:

- (A) An agreement on the maximum allowable cost of training, and the employer commitment to fund a **minimum** of 50% of the training cost.
- (B) A provision for recouping overpayments.
- (C) A provision for contract termination due to lack of funds, lack of participant training attendance, or the inability of the employer to honor the initial or upgraded employment component of the contract.
- (D) A provision permitting LWIA, state, and federal staff to review the training records.
- (E) General provisions as required by local policies and procedures.

Miscellaneous Contract Provisions

Customized training contracts *shall not* be written to provide skills for seasonal, temporary, or intermittent employment.

LWIAs shall make an effort to ensure that occupations and positions obtained through customized training are those which afford each participant the opportunity to become self-sufficient as defined in the local five-year plan.

LWIAs shall ensure that future customized training contracts *are not* written with employers who have failed to provide agreed upon employment to participants completing required training. LWIAs may take into consideration an employer's past history with OJT contracts, finances, layoffs, relocations, labor disputes, as well as the occupational and industry outlook, as a basis for assessing an employer's viability for customized training contracts.

Customized Training Protections:

1. Customized training participant *shall not* displace (including a partial displacement, such as a reduction in the non-overtime work, wages, or employment benefits) any currently employed employee (as of the participation).
2. Customized training activities *shall not* impair an existing contract for services or collective bargaining agreement, and *no such activity* that would be consistent with the terms of a collective bargaining agreement shall be undertaken *without the written concurrence of the labor organization and employer concerned*.
3. A participant *shall not* be employed in a job if:
 - Any other individual is on layoff from the same or any substantially equivalent job.
 - The employer has terminated employment of any regular employee, or otherwise, reduces the workforce of the employer with the intention of filling the vacancy so created with the participant.
 - The job is created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals (as of the date of the participation).
4. ***No funds*** will be used for customized training for any business that has relocated until 120 days after the date on which such business commences relocation, if the relocation of such business or part of a business results in the loss of employment for any employee at the original location and such original location is within the United States.

MONITORING CUSTOMIZED TRAINING CONTRACTS

LWIAs shall monitor each customized training contract through attendance and completion records to determine that the amounts claimed for reimbursement are substantiated and that training is being provided in accordance with the contract. Monitoring includes reviewing participant progress to ascertain that the participant is gaining the necessary skills, and to determine if supportive services are needed. LWIAs shall also monitor at the work site upon placement of the participant at the completion of training to ensure that the participant is employed in the agreed upon position, at the appropriate salary, utilizing the skills obtained through the customized training.